

# INSURANCE OF GUARANTEE FOR THE PERFORMANCE OF CUSTOMS OBLIGATIONS

Rules No. 021.1

VALID FROM 01-07-2019



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### GENERAL CONDITIONS

#### 1. Insurance contract definitions

**1.1. The Insurer** – AAS BTA Baltic Insurance Company, represented by the branch in Lithuania, hereinafter referred to as BTA.

**1.2. The Policyholder** – a person who has applied to BTA for concluding the insurance contract, or to whom BTA has offered to conclude the insurance contract, or who has concluded the insurance contract with BTA for the benefit of himself or other persons.

**1.2.1.** Persons related to the Policyholder and/or the Insured, who are also obligated to perform the duties assigned to the Policyholder:

- persons who live together with the Policyholder or the Insured;
- persons who are responsible for the object of insurance under the agreement with the Policyholder or the Insured;
- persons who have an insurance interest together with the Policyholder or the Insured, or other persons specified in the insurance contract;
- persons related to the Policyholder or the Insured in employment, provision of services or other legal relations, and have a duty to act in accordance with security requirements.

**1.3. The Insured** – a person whose property interests are insured:

- in the case of property insurance – under the insurance contract, the owner of the insured property or a person specified in writing in the contract;
- in the case of civil liability insurance – a person whose property interests arising from civil liability are insured;
- in the case of persons' insurance – a natural person referred to in the insurance contract, whose health, life or physical condition is insured by the insurance contract.

**1.4. Beneficiary** – a person specified in the insurance contract or a person appointed by the Policyholder and, in the cases specified in the insurance contract, appointed by the Insured and entitled to receive the insurance benefit.

**1.5. Third party** – in case of civil liability insurance – a person who has suffered losses due to actions or non-action of the Policyholder and/or the Insured and who is entitled to the insurance benefit in accordance with the terms and

conditions of the insurance contract.

**1.6. The parties to the insurance contract** – the Policyholder and BTA.

**1.7. The object of insurance** – property interests related to a person's life, health, property/assets or civil liability.

**1.8. An application for concluding the insurance contract** – a document in the form established by BTA, in which the Policyholder submits the required information for concluding the insurance contract. The application may not be submitted if the Policyholder provides BTA with information that BTA considers sufficient to assess the insurance risk. Acceptance of the application to conclude the insurance contract does not oblige BTA to conclude the insurance contract.

**1.9. Insurance contract** – an agreement between BTA and the Policyholder whereby the Policyholder undertakes to pay the insurance premium of the agreed amount within the terms specified in the insurance contract, to perform other obligations stipulated in the insurance contract, and BTA undertakes to pay the insurance benefit to the person specified in the insurance contract in case of an insured event, in accordance with the provisions of the insurance contract.

**1.10. Insurance contract certificate (policy)** – a document confirming the conclusion of the insurance contract and covering the terms and conditions of the insurance contract agreed between BTA and the Policyholder.

**1.11. Insurance amount** – the sum of money specified in the insurance contract or calculated in accordance with the procedure established in the insurance contract, which may not be exceeded by the insurance benefit.

**1.12. Incomplete insurance** – cases when the determined insurance amount is less than the insurance value. In this case, upon the occurrence of the insured event, BTA pays a part of the benefit proportional to the ratio of the insurance amount and the insurance value.

**1.13. Double insurance** – cases when the Policyholder concludes several insurance contracts for the same insurance risks in several or the same insurance company. In this case, the Policyholder must notify BTA in writing about the conclusion of another insurance contract and indicate the insurance amount and other terms of the contract. Otherwise, the Insurer, having paid the insurance benefit, acquires the right to recover the respective part of the insurance benefit.

**1.14. Supplementary insurance** – cases when only a part of the property value or insurance risk is insured. In such a case, the Policyholder has the right to conclude an additional insurance contract with the same or another insurance company. In this a case, the insurance amount under several insurance contracts may not exceed the insurance value.

**1.15. Deduction** – the part of the insurance benefit established in the insurance contract, which is not reimbursed by BTA. The deduction is defined as a specific amount of money and/or a percentage of the loss, unless otherwise specified in the insurance policy. If the insurance contract provides for several types of deductions for the same risk, the higher of them shall always apply.

**1.16. Insurance premium** – the amount of money specified in the insurance contract, which the Policyholder must pay to BTA for insurance coverage under the terms of the insurance contract.

**1.17. Insured event** – an event specified in the insurance contract, upon the occurrence of which BTA must pay the insurance benefit.

**1.18. Non-insured event** – a case when BTA does not pay the insurance benefit.

**1.19. Insurance risk** – the probability of an event, the occurrence of which is possible in the future and which does not depend on the will of the Policyholder and/or the Insured.

**1.20. Insurance benefit** – an amount of money paid out upon the occurrence of the insured event or services provided, if it is stipulated in the insurance contract.

**1.21. Insurance interest** – the interest of the Insured not to incur losses due to the insured event.

**1.22. Compensation principle** – the insurance principle whereby the insurance benefit is calculated on the basis of the amount of losses incurred due to the insured event.

**1.23. Written document:**

- a) is written and includes all the necessary details, including the signature in accordance with the legal acts applicable in the Republic of Lithuania;
- b) transmitted by telegraphic, facsimile or other telecommunications terminal equipment, provided that text protection is ensured and the signature, including electronic mail, can be identified.

## **2. Validity of insurance coverage**

**2.1.** The insurance period is the period of time during which the insurance coverage is valid.

**2.2.** The insurance coverage shall take effect on the day specified in the insurance contract at 00:00, but not earlier than the payment of the insurance premium or the first part thereof, if:

**2.2.1.** the date of payment of the insurance premium or the first part thereof is not specified in the insurance contract;

**2.2.2.** the beginning of the insurance period coincides with the date of payment of the insurance premium or the first part thereof;

**2.2.3.** the term of payment of the insurance premium or the first part thereof is earlier than the beginning of the insurance period.

**2.3.** In cases where the entry into force of the insurance coverage is linked to the payment of the insurance premium or the first part thereof, the insurance coverage shall take effect on the day following 00:00 o'clock after the day of receipt of money, but not earlier than specified in the insurance contract.

**2.4.** The insurance benefit shall not be paid in the occurrence of the insured event before the insurance coverage enters into force.

**2.5.** If the insurance contract stipulates that the insurance premium must be paid after the first day of the insurance period, the insurance coverage shall take effect on the first day of the insurance period at 00:00.

**2.6.** The insurance contract is valid until 24:00 on the last day of the insurance period provided for in the insurance contract, unless the insurance contract expires earlier for other reasons.

### **3. Obligation of the policyholder to disclose information**

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**3.1.** Before signing the insurance contract, the Policyholder shall undertake to provide BTA with correct and complete information requested by BTA, which is related to the object of insurance and is necessary to assess the insurance risk. If the Policyholder intentionally does not disclose the information that is necessary to assess the insurance risk or intentionally provides incorrect or incomplete information, BTA has the right to demand that the insurance contract be declared invalid. In this case, BTA does not refund the insurance premium.

**3.2.** If the insurance contract is extended due to the same insurance object immediately after the expiry of the previous insurance contract and the Policyholder or the Insured does not indicate that the information has changed since the conclusion of the previous insurance contract, BTA shall consider that the previously provided information has not changed.

**3.3.** During the validity term of the insurance contract, the Policyholder must immediately notify in writing about any changes during the validity term of the insurance that may increase the insurance risk. Changes that must be notified about are as follows:

- a) significant changes related to the object of insurance;
- b) changes in the ways whereby the object of insurance is used.
- c) other significant circumstances that increase the insurance risk.

**3.4.** If the information provided to BTA about the object of insurance and the insured risks changes and as a result the insurance risk increases, as well as when BTA is misled due to insignificant error of the Policyholder, BTA has the right to propose to the Policyholder to change the conditions of the insurance contract, including the amount of the insurance premium, within one month from the date of learning thereof.

If the Policyholder does not agree to change the conditions of the insurance contract or does not respond to BTA within 1 (one) month from the date of sending the notice about the proposed new conditions, BTA has the right to terminate the insurance contract after expiration of the term specified in this sentence without separate notice.

If BTA proves that it would not have concluded the insurance contract knowing about the increased risk, BTA has the right to demand termination of the insurance contract within 2 (two) months from learning about the increased risk.

**3.5.** Violation of the Policyholder's obligation to disclose information also causes other legal consequences which are established in the legal acts of the Republic of Lithuania.

### **4. Insurance premium and payment procedure**

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**4.1.** The Policyholder must pay the insurance premium to BTA, in the set amount and within the set terms, as provided in the insurance contract.

**4.2.** The insurance premium is considered paid:

**4.2.1.** if the insurance premium is paid by transfer – from the receipt of the amount of money to the bank account of BTA or the authorized insurance intermediary;

**4.2.2.** if the insurance premium is paid by other means of payment – from the date indicated in the specific document confirming the fact of payment of money. You can find the list of payment methods by visiting our website [www.bta.lt](http://www.bta.lt) or by calling (8 5) 2600 600;

**4.3.** If the Policyholder fails to pay the insurance premium within the time specified in the insurance contract, the Policyholder shall pay BTA 0.02% default interest for each day of delay, but not more than 10% of the unpaid total insurance premium. BTA will not apply the above-mentioned default interest in cases when:

- a) the insurance premium is paid in one payment;
- b) the insurance premium is paid in instalments – for the first payment.

**4.4.** If the Policyholder fails to pay the insurance premium or its part within the time specified in the insurance contract (except the case when the entry into force of the insurance contract is related to the payment of the insurance premium or its part – in such a case the insurance contract does not enter into force and is annulled without a separate notice of the Insurer 30 days after the term of payment of the premium), BTA informs with the written document provided for in the contract that if the Policyholder fails to pay the insurance premium or a part thereof within 30 days from the date of sending the written document, the insurance contract will terminate.

### **5. Conclusion of insurance contracts by telecommunications terminal equipment**

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**5.1.** The insurance contract may be concluded with telecommunications terminal equipment, i.e. by post/mail, Internet, e-mail, telephone and other means of information exchange.

**5.2.** When the insurance contract is concluded by the Policyholder who is a consumer, the guidelines for concluding non-life insurance contracts, which are publicly available at [www.bta.lt](http://www.bta.lt), shall apply to such a contract. The guidelines for concluding non-life insurance contracts stipulate, inter alia, the withdrawal right procedure, i.e. the right to withdraw from the concluded insurance contract.

The consumer is a natural person who concludes the insurance contract for purposes unrelated to business or professional

activities.

## **6. Termination and amendment of the insurance contract**

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**6.1.** The insurance contract expires on the last day of the insurance period at 24:00, unless the Policyholder and BTA have agreed otherwise.

**6.2.** The Policyholder has the right to terminate the insurance contract at any time by notifying BTA in writing 15 days in advance. In this case, the insurance contract will be considered terminated on the day specified in the notice, but not earlier than on the 15th (fifteenth) day after the notice of termination has been received.

In such a case:

**6.2.1.** if the insurance benefit has not been paid or no claims have been submitted during the validity period of the insurance contract, within 20 (twenty) calendar days after receipt of the Policyholder's notice, BTA shall refund to the Policyholder a part of the insurance premium, excluding the cost of the contract conclusion and execution (30% of the amount to be refunded).

**6.2.2.** if the insurance benefit has been paid and/or reserved or claims have been filed during the validity term of the insurance contract, within 20 calendar days after receipt of the Policyholder's notification, BTA shall return a part of the insurance premium equal to the difference between the unused part of the insurance premium for the validity term of the insurance contract and the paid insurance benefit, while deducting the costs of concluding and executing the contract (30% of the amount to be refunded).

**6.3.** The terms and conditions of the insurance contract may be supplemented or changed only upon a written agreement between BTA and the Policyholder.

**6.4.** The insurance contract may also be terminated on other grounds established in the insurance legal acts of the Republic of Lithuania regulating insurance contractual legal relations.

## **7. General reservations**

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**7.1.** Unless otherwise stipulated in the insurance contract, BTA shall not pay the insurance benefit due to:

**7.1.1.** terrorist acts (acts involving the use of force or violence or threats of such acts by or on behalf of any third party acting individually or in association with any organisation or government, for political, religious, ideological or ethnic reasons and with intent to put the government or society or part of it in danger); losses resulting from preventive actions against terrorist acts are also not reimbursed.

**7.1.2.** war, invasions, hostile actions by a foreign state, military or equivalent operations such as a civil war (with or without declaration of war), riots, strike, insurrection, rebellion, revolution, state of war, marauding, vandalism, sabotage; strikes, lockouts, disturbances of public order amounting to a coup or riot, confiscation of property, nationalization, if it is caused or sanctioned by the state authorities, whether lawful or not; other political risks and any other losses or expenses incurred directly or indirectly as a result of the prevention of such actions shall also not be reimbursed;

**7.1.3.** direct or indirect nuclear explosion, exposure to nuclear energy or radioactive preparations, direct or indirect radioactive contamination;

**7.1.4.** intentional actions of the Policyholder, the Insured or the Beneficiary.

**7.2.** Regardless of any conditions in the insurance contract, BTA has no obligation to provide insurance coverage or make any payments or provide services, or to grant benefits to individuals or to any third party, if such insurance coverage, payment, service, benefit and/or business or the Policyholder's activities, of the Insured or the Beneficiary demanding the insurance benefit, violate the implemented sanctions, financial embargo or economic sanctions, laws or conditions directly implemented by the BTA. Implemented sanctions are national sanctions established by the legal acts of the Republic of Lithuania, sanctions of the European Union, sanctions of the United Nations, sanctions of the United States of America and/or other sanctions that BTA must comply with and enforce in accordance with the requirements of legal acts.

## **8. Obligations of the policyholder in case of insured risk**

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**8.1.** In order for the Policyholder or the Insured to acquire the right to receive the insurance benefit in the event of the insured risk, he shall be obligated:

**8.1.1.** immediately, but not later than within 3 working days (unless otherwise specified in the special conditions of these rules) to inform BTA about the occurrence of a possible insured event in accordance with the procedure established in the special conditions of these rules. If the Policyholder or the Insured informs BTA about the occurred insured risk late, the Policyholder or the Insured must prove that it was not possible to inform on time;

**8.1.2.** to immediately inform the competent authorities (e.g. medical institution, fire safety and rescue department, police, emergency services, etc.);

**8.1.3.** to follow all instructions given by BTA and to take all measures to reduce damage and prevent its occurrence or increase;

**8.1.4.** to enable BTA to inspect the scene, conduct an investigation and interview witnesses so that BTA could determine the causes and amount of the loss;

**8.1.5.** to provide all information and documents requested by BTA, including trade secrets, if known to the Policyholder or the Insured, so that BTA could determine the causes of the occurred insured risk and the amount of damage;

**8.1.6.** if it is possible to keep the scene intact until the BTA representative arrives, unless BTA has given other instructions. This clause does not apply to the extent necessary to fulfil the requirements in Clause 8.1.3. of these General Terms and Conditions of Insurance.

**8.1.7.** if the object of insurance cannot be preserved without changing its condition after the event due to the fulfilment of the requirements of Clause 8.1.3 of the General Terms and Conditions of Insurance or due to other legal and substantiated reasons, make sure that photos of the damaged property are taken as soon as possible or the damaged object of insurance would be filmed, seeking to record losses, and send photos or video to BTA by e-mail: [zalos@bta.lt](mailto:zalos@bta.lt) or in another way suitable for BTA.

**8.2.** If the Policyholder, the Insured or the Beneficiary intentionally or due to gross negligence fails to perform the obligations specified in the Rules, BTA has the right to reduce the insurance benefit or refuse to pay it.

## **9. Insurance benefit**

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**9.1.** BTA shall pay the insurance benefit no later than within 15 days from the date of receiving all information relevant to determining the fact, circumstances, consequences of the insured event and the amount of the insurance benefit.

**9.2.** In case of theft or robbery, when the insurance benefit had been paid and the object of insurance subsequently arose, BTA has the right to demand the refund of the insurance benefit or the transfer of the right to claim the object of insurance. If BTA has decided not to keep the found insurance object, but the found object is damaged, then the Policyholder, while returning the insurance benefit received from BTA, shall deduct from it the expenses agreed with BTA, necessary to restore the object to its original condition.

**9.3.** If the event is insured and the Policyholder and BTA do not agree on the amount of the insurance benefit, BTA shall pay an amount equal to the undisputed insurance benefit of the parties at the request of the Policyholder, if the exact determination of the amount of damage lasts longer than 3 months.

**9.4.** If BTA delays the payment of the insurance benefit due to its own fault, BTA shall pay 0.02% default interest on the amount of the insurance benefit payable for each day of delay, but not exceeding 10% of the insurance benefit not paid on time.

**9.5.** When paying the insurance benefit, all insurance premiums (for the current insurance year), which are due on the day of payment of the insurance benefit, are included. With the consent of the Policyholder, premiums that are not expired may be included. In cases when the insured object is lost, destroyed or forfeited as a result of the insured event, all unpaid insurance premiums under the contract shall be deducted when paying the insurance benefit.

**9.6.** In case BTA is unable to recover the benefit due to intentional actions of the Insured or gross negligence, BTA may not pay the insurance benefit in the part where it is not possible to make a claim, or, if the insurance benefit has already been paid, to demand reimbursement of the benefit from the Policyholder.

**9.7.** According to the person entitled to claim the insurance benefit, BTA shall provide such a person with an opportunity to familiarize with the available documents whereby BTA made a decision to pay the insurance benefit or refused to pay the insurance benefit, or shall issue copies of documents for a fee not exceeding the cost of issuing copies of documents. BTA shall not provide an opportunity for a person, entitled to claim the insurance benefit, to familiarize with the available documents and shall not provide a copy of the documents if:

- a) BTA submitted documents to law enforcement authorities for investigation into the circumstances of the insured risk accident;
- b) the documents contain a commercial secret of another person, which the person having the right to claim the insurance benefit is not entitled to receive;
- c) the documents contain personal data, which the person having the right to claim the insurance benefit is not entitled to receive;

## **10. Complaints and dispute settlement procedure**

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**10.1.** The procedure for reviewing BTA complaints regarding dissatisfaction with the insurance contract or the insurance services provided, submitted by the person requesting to conclude the insurance contract, the Policyholder, the Insured, the Beneficiary or another person entitled to claim the insurance benefit, is publicly available at [www.bta.lt](http://www.bta.lt).

**10.2.** All disputes arising between the parties of the insurance contract shall be settled by negotiation. If a peaceful agreement is not reached, all disputes arising from the insurance contract and related to the violation, termination or invalidity of the insurance contract shall be settled in the court of the Republic of Lithuania in accordance with the legislation of the Republic of Lithuania, in the courts of the Republic of Lithuania according to the office address of BTA Lithuanian branch.

## **11. Processing of personal data**

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**11.1.** As a processor of personal data, BTA processes the data of natural persons in accordance with the personal data processing requirements defined in 27 April 2016 Regulation (EU) 2016/679 of the European Parliament and of the Council on the protection of natural persons with regard to processing of personal data and on the free movement of such data and thereby repealing Directive 95/46/EC (General Data Protection Regulation), and according to other legal requirements.

The principles of personal data processing and BTA's privacy policy are published at [www.bta.lt](http://www.bta.lt).

## **12. Subrogation and the right of recourse**

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**12.1.** The right to claim the paid amounts from the person responsible for the damage (subrogation or the right of recourse) shall pass to the Insurer who has paid the insurance benefit. The Policyholder, the Insured or the Beneficiary must provide all the information requested by BTA so that the Insurer could properly exercise the right of claim transferred

to it.

### **13. Confidentiality**

**13.1.** The Parties shall undertake not to disclose the confidential information, obtained on the basis of the insurance contractual or pre-contractual legal relationship, to third parties, nor to use such information in a manner that would harm the interests of the other party to the insurance contract. BTA has the right to provide all the necessary information to independent experts and reinsurers, which was obtained on the basis of the insurance contractual or pre-contractual relations, as well as to store it in BTA databases. This obligation shall not apply when the parties, in accordance with the requirements of the legal acts of the Republic of Lithuania, are obliged to provide information to the competent state authorities.

### **14. Other conditions**

**14.1.** Any notification that the Policyholder or BTA must send to each other has to be made within the terms specified in these rules in one of the following ways:

**14.1.1.** by delivery to the Policyholder, at the addresses indicated in the insurance policy or other written documents or in the notifications of the parties regarding the change of the registered office addresses;

**14.1.2.** by sending a registered postal item;

**14.1.3.** by e-mail, when the parties have provided for this method of notification in the contract, or by tacit consent to the exchange of information in this way;

**14.2.** BTA has the right to transfer its rights and obligations under the insurance contract to another or other Insurers in accordance with the procedure established by the legal acts. The Policyholder, not agreeing to the transfer of the rights and obligations under the insurance contracts, shall be entitled to terminate the insurance contract in accordance with the procedure established therein within one month from the transfer of the rights and obligations. In this case, the insurance premiums paid by him shall be refunded to the Policyholder for the remaining validity term of the insurance contract.

**14.3.** The legal acts of the Republic of Lithuania shall apply to the contractual insurance legal relations.

**14.4.** The insurance contract shall be concluded on the basis of these general conditions and special conditions. If the special and/or individual insurance conditions, specified in the contract (insurance policy) and these General Terms and Conditions of Insurance are different, preference shall be given to the special and/or individual insurance conditions.

**14.5.** The Policyholder, the Insured, the Beneficiary and other persons, who acquire rights on the basis of the insurance contract, must comply with the obligations established in these Rules.

**14.6.** These Rules shall enter into force on the day of approval by the Board of BTA, unless the Board of BTA has specified another date of entry into force of the Rules.

**14.7.** In case of contradictions or discrepancies between languages, the Lithuanian text shall prevail.

**14.8.** These rules are published on the BTA website at <http://www.bta.lt>.

## **SPECIAL CONDITIONS**

### **1. Explanation of the terms used in the rules**

#### **The Insurer**

AAS BTA Baltic Insurance Company, represented by the branch in Lithuania, hereinafter referred to as BTA.

#### **Policyholder**

A natural or legal person who, in accordance with the procedure established by the legal acts of the European Union (hereinafter – the EU) and the Republic of Lithuania (hereinafter – LR), is the executor of the temporary storage operation of goods, the customs procedure or other customs-authorized action, who has undertaken to perform all his obligations to the Beneficiary.

#### **Beneficiary**

The competent authorities of the European Union and some other countries (customs of LR or other EU countries, hereinafter – the Customs) that are specified in the guarantee to the customs.

#### **Guarantee**

The document issued and presented to the Customs together with the insurance certificate (policy) for one customs procedure or one customs-approved action (one-off guarantee) or for several customs procedures or several customs-approved actions (comprehensive guarantee).

### **2. Object of insurance**

#### **Object of insurance**

**2.1.** The object of insurance is the obligation of the Policyholder to pay to the Customs the amount of duties and taxes established by the legal acts of the EU and LR, forming a debt related to temporary goods storage operations, customs procedures or other customs authorized actions (hereinafter – customs authorized actions).

#### **Not object of insurance**

**2.2.** A statutory penalty for the Policyholder's failure to execute or improper execution of an obligation (obligations) –

is not the object of insurance.

### **3. Insurance coverage**

**3.1.** Under the customs guarantee insurance contracts, insurance coverage is provided only for insurance risks listed in the contract.

### **4. Insured events**

**4.1.** The insured event is non-execution or improper execution of the Policyholder's obligation to pay the customs duties and taxes (except fines) forming part of the debt to the Customs in connection with the customs authorized actions applicable to goods, specified in the insurance contract, when BTA received the Customs claim regarding it.

### **5. Non-insured events**

**5.1.** Non-insured event – all cases when the Policyholder is released from the obligation to pay customs duties and taxes forming part of the customs debt in connection with the customs-authorized actions applicable to the goods specified in the insurance contract in accordance with the laws of the EU and LR.

### **6. Insurance amount**

**6.1.** The insurance amount shall be equal to the maximum sum of duties and taxes constituting the debt to the Customs if the Policyholder with whom the insurance contract has been concluded fails to perform the assumed obligations to the Customs in a timely and proper manner.

### **7. Insurance premium**

**7.1.** The amount of the insurance premium is determined by agreement between BTA and the Policyholder. The amount of the insurance premium and the term of its payment are specified in the insurance policy.

### **8. Conclusion and validity of the insurance contract**

#### **Conclusion of the insurance contract**

**8.1.** The Policyholder, in order to conclude the insurance contract, shall submit to BTA a verbal application or, at the request of BTA, a written filled in application of a prescribed form and content for concluding the insurance contract, financial statements and other documents necessary for assessing insurance risk and concluding the insurance contract. If they are not submitted, the Policyholder's request to conclude the contract may not be considered by BTA. The Policyholder is responsible for the accuracy of the submitted data and documents.

**8.2.** The insurance contract consists of: The Policyholder's application to conclude the insurance contract, insurance Rules, insurance certificate (policy) and the guarantee issued together with the insurance certificate (policy).

#### **Validity of the insurance contract**

**8.3.** The insurance contract between the Policyholder and BTA shall enter into force on the date specified in the insurance certificate (policy) and in the guarantee and shall be valid until the fulfilment of the Policyholder's obligations to the Customs during the validity of the insurance contract.

**8.4.** After the Policyholder has acquired the insurance certificate (policy) and the guarantee thereto, the Policyholder's obligation to the Customs shall arise from acceptance of the guarantee and registration in the Customs office.

**8.5.** The insurance contract may be re-executed or reformulated due to the name of the Policyholder's obligation to the Customs, change of the insurance amount or for other reasons prior to the registration of the insurance contract with the Customs.

An additional fee may be charged for the re-execution of the insurance contract and for the issuance of a new insurance certificate (policy) and the guarantee thereto.

**8.6.** The insurance contract shall cease to be valid upon completion of all the customs authorized actions which were commenced during the validity of the insurance certificate (policy) and the guarantee attached thereto.

#### **Termination of the insurance contract**

**8.7.** The Policyholder has the right to terminate the insurance contract and the insurance contract may be terminated if:

**8.7.1.** The Policyholder was issued a one-time insurance certificate (policy) and a one-time guarantee thereto and the Policyholder shall return all their copies without the Customs marks that the customs-authorized actions under them have been initiated.

**8.7.2.** The Policyholder was issued a general insurance certificate (policy) and a general guarantee attached thereto and the Policyholder notified BTA in writing one month before the scheduled termination date of the insurance contract and submitted to BTA the documents proving full coverage of debts to the Customs.

**8.8.** The insurance contract expiration or termination does not relieve the parties from liability for Customs claims brought during the contract validity period and during the period before the Policyholder provides documentation proving the full execution of the obligations to the Customs.

### **9. Rights and obligations of the Policyholder and BTA during the validity of the insurance contract**

#### **BTA rights and obligations**

**9.1.** The rights and obligations of BTA are established by the legal acts of the EU and LR and by the agreement signed between BTA and the Customs Department.

**9.2.** BTA has the right to demand additional security for executing the insurance contract from the Policyholder during the validity of the insurance contract or before concluding it.

### **Obligations of the Policyholder**

**9.3.** The Policyholder must perform the assumed obligations to the Customs in a timely and proper manner in accordance with the procedure established by the Customs.

**9.4.** At the request of BTA, the Policyholder must provide information and/or submit to BTA evidence of fulfilment his obligations to the Customs in accordance with the insurance certificate (policy) issued to him and the guarantee attached thereto.

**9.5.** At the request of BTA, to provide additional collateral (to pledge property, to form a cash deposit, etc.).

### **10. Rights and obligations of the Policyholder and in case of an insured event**

#### **BTA obligations**

**10.1.** BTA, having received a notification from the Customs or a claim regarding the occurrence of a debt to the Customs when the Policyholder failed to execute or improperly executed his obligations to the Customs under BTA issued insurance certificate (policy), shall inform the Policyholder by mail or e-mail about the received message or claim and shall request evidence (payment orders, cash collection orders, guarantee letters, etc.) that the obligations to the Customs have been executed.

**10.2.** After BTA has paid the insurance benefit to the Customs, BTA, while implementing the subrogation requirement, shall inform the Policyholder in writing about occurrence of the debt by indicating the term of its repayment to BTA.

### **Obligations of the Policyholder**

**10.3.** Upon receipt of BTA's information about the Customs notification or claim, the Policyholder shall be obligated:

**10.3.1.** To submit a written consent that the Customs Department (territorial customs) would provide BTA with all information about the course and documents of the customs authorized actions specified in the insurance certificate (policy) and the guarantee thereto.

**10.3.2.** To execute his obligation to the Customs within the term set by BTA (but not more than within 15 (fifteen) working days from the date of sending the letter) and to provide BTA with evidence that it has been executed or has been executed properly.

### **BTA rights**

**10.4.** If the Policyholder does not repay the debt to BTA before the date specified in the letter, the default interest of 0.02% from the outstanding amount for each day of delay shall be calculated for him.

**10.5.** The time limits referred to in clauses 10.3.2 and 10.4 shall begin to be counted from the day of sending the claim to the last known location of the Policyholder's registered office.

**10.6.** BTA shall be obligated only to the Customs and only the Customs has the right to demand from BTA the execution of the obligation. The Policyholder is not entitled to any financial or other claim in respect of BTA.

### **11. Terms and procedure for payment of insurance benefits**

#### **Determination of the amount of damage**

**11.1.** The amount of the insurance benefit shall be determined by the Customs in each specific case in accordance with the legal acts of the EU and LR and the documents confirming the execution of the customs-sanctioned actions.

**11.2.** The amount of the insurance benefit is equal to the amount of duties and taxes constituting the incurred debt to the Customs, which arose due to the Policyholder's failure to execute his obligation in accordance with the customs-authorized actions specified in the insurance certificate (policy) and the guarantee thereto.

**11.3.** The amount of the insurance benefit may not exceed the insurance amount specified in the insurance certificate (policy) and the guarantee thereto.

#### **Payment of the insurance benefit**

**11.4.** The insurance benefit determined by the Customs is entered in the claim and is sent to BTA together with other documents.

**11.5.** BTA pays the insurance benefit to the Customs within the terms stipulated in the agreement with the Customs Department of the Republic of Lithuania.